MINISTRY OF ENVIRONMENT

FISH AND WILDLIFE DEVELOPMENT FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2008

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

SASKATCHEWAN

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Fish and Wildlife Development Fund as at March 31, 2008 and the statements of operations, changes in net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 29, 2008

Fred Wendel, CMA, CA
Provincial Auditor

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2008	2007
ASSETS		
Current assets		
Due from General Revenue Fund (Note 3)	$ 3,583,933	$ 3,394,315
Accounts receivable (Notes 4 and 9)	716,251	795,127
	4,300,184	4,189,442
Capital assets (Note 6)	17,951,880	17,465,033
	$ 22,252,064	$ 21,654,475
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	$ 695,588	$ 459,667
Payable for land purchases (Note 13)	157,666	76,750
	853,254	536,417
Net assets (Statement 3)		
Net assets invested in capital assets	17,951,880	17,465,033
Internally restricted net assets (Note 7)	2,000,000	2,000,000
Unrestricted net assets	1,446,930	1,653,025
	21,398,810	21,118,058
	$ 22,252,064	$ 21,654,475
Commitments (Note 8)		

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2008		2007
	Budget (Note 10)	Actual	Actual
Revenues:			
Transfers from General Revenue Fund			
Sale of licenses (Note 4)	$ 3,669,000	$ 3,883,598	$ 3,722,122
Grants	---	---	500,000
Field permits and leases	125,000	159,061	133,933
Interest (Note 3)	55,000	170,480	150,913
Other revenue (Note 5)	120,000	16,801	128,872
	3,969,000	4,229,940	4,635,840
Expenses:			
Fish enhancement projects (Schedule 1)	1,544,000	1,697,660	1,794,017
Wildlife habitat projects (Schedule 1)	2,110,000	1,456,925	1,815,496
Grants-in-lieu of taxes (Note 7)	315,000	339,603	320,221
Invasive alien species (Note 15)	---	455,000	---
	3,969,000	3,949,188	3,929,734
Excess of revenues over expenses (Statement 3)	$ ---	$ 280,752	$ 706,106

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	2008				2007
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	$ 17,465,033	$ 2,000,000	$ 1,653,025	$ 21,118,058	$ 20,411,952
Excess of revenues over expenses (Statement 2)	(10,472)	—	291,224	280,752	706,106
Net investment in capital assets	497,319	—	(497,319)	—	—
Balance, end of year (Statement 1)	$ 17,951,880	$ 2,000,000	$ 1,446,930	$ 21,398,810	$ 21,118,058

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2008	2007
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund	$ 3,935,828	$ 3,660,540
Receipts from sale of field permits, leases, and other	199,263	252,762
Interest received	169,746	145,070
Grant payments	(2,073,967)	(2,165,491)
Payments to municipalities	(339,534)	(320,221)
Payments to suppliers and employees	(1,363,648)	(1,326,861)
Cash flows from operating activities	527,688	245,799
Cash flows from (used in) investing activities:		
Proceeds from disposal of capital assets	---	45,647
Purchase of capital assets	(338,070)	(101,210)
Cash flows used in investing activities	(338,070)	(55,563)
Net increase in cash	189,618	190,236
Due from General Revenue Fund, beginning of year	3,394,315	3,204,079
Due from General Revenue Fund, end of year	$ 3,583,933	$ 3,394,315

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2008

1. Purpose of the Fund

The Fish and Wildlife Development Fund (Fund) operates under the authority of Section 20 of *The Natural Resources Act*. The Fund was established for the purposes of preventing the reduction of wildlife habitat and wildlife population in the agricultural area of the province and for fish enhancement projects intended to prevent the loss of fish or fish habitat. The Ministry of Environment (Ministry) administers the Fund.

2. Significant Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles for not-for-profit organizations. The following accounting policies are considered significant:

a) Revenue

The Fund follows the deferral method of accounting for contributions. Any restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

The transfer from the General Revenue Fund (GRF) related to certain hunting and fishing licences is recognized when licenses are issued. Transfers from the GRF for any other purpose are recognized when received or receivable.

Field permit and lease revenue is recognized when the permit is issued or the lease payment is due.

b) Grant Expenses

Grants are expensed when approved and the recipient has met eligibility criteria.

c) Capital Assets

Purchased capital assets are recorded at cost. Amortization commences in the year of acquisition and is provided on a straight-line basis over the asset's estimated useful life. Annual amortization rates for equipment are from 10% to 33%.

Donated land is recorded at fair value at the date of contribution as a direct increase in net assets.

The Fund made agreements with other conservation agencies for the joint acquisition of land for wildlife related purposes. The Fund records jointly owned land at cost as determined by the land purchase agreement.

d) Use of Estimates

These statements are prepared in conformity with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates are required to determine the amortization of

equipment, accounts payable and accrued liabilities, sales of licences and allowance for expected uncollectible accounts receivable. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

e) Financial Instruments

Effective April 1, 2007, the Fund adopted the recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855 – Financial Instruments – Recognition and Measurement. Under these new standards, all financial assets and financial liabilities must be identified and classified. This classification determines how each financial instrument is measured.

The Fund classifies the Due from the General Revenue Fund as Held for Trading, which is measured at fair value. Changes in fair value are recognized immediately in the Statement of Operations. Accounts receivable is classified as Loans and Receivables, and Accounts payable and accrued liabilities and Payable for land purchases are classified as Other Financial Liabilities. Both Loans and Receivables and Other Financial Liabilities are measured at amortized cost. Due to their immediate or short-term maturity, the amortized cost of these instruments approximates their fair value.

This change in accounting policy did not have a significant impact on the Fund's financial statements at the time of adoption.

The Ministry has reviewed the Fund's contracts for derivatives and there are none. Derivatives are required to be treated as Held for Trading.

f) Recent Accounting Pronouncements

Effective April 1, 2008, the Fund will be required to adopt CICA Handbook Sections 3862 – Financial Instruments – Disclosures, and 3863 – Financial Instruments – Presentation. Section 3862 provides standards for disclosure of the risks arising from financial instruments to which the Fund is exposed, and how the risks are managed by the Fund. Section 3863 provides standards for the presentation of financial instruments and non-financial instrument derivatives. The Fund does not expect the adoption of these new standards to have a material impact on its financial statements.

3. Due From General Revenue Fund

The Fund's money is on deposit with the GRF and in a bank account included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Fund's earned interest is calculated and paid by the GRF on a quarterly basis to the Fund using the Government's thirty day borrowing rate and the Fund's average daily account balance. The Government's average thirty day borrowing rate for 2008 is 4.08% (2007 – 4.15%).

4. Revenue - General Revenue Fund

The Fund receives an annual transfer from the GRF, as established by Order in Council 526/95, equivalent to 30% of certain hunting and fishing licence fees collected by the Ministry. A receivable is recorded for the portion of the licences issued before the year-end for which fees have not yet been received. Included in accounts receivable at March 31, 2008 is $662,216 (2007 - $214,445) receivable from the GRF related to these licenses which $85,573 is an estimate recorded for licence fees not reported by vendors.

The Fund has interest receivable of $17,265 from the General Revenue Fund, and a $37,929 receivable for leases and permits for which an allowance has been set up for $19,879. Most of the licence revenue and receivables were received shortly after year end.

5. Other Revenue

Included in other revenue are miscellaneous amounts of $16,801 (2007 - $128,872). In 2006-2007 this revenue is made up primarily from the sale of land, and reimbursements for land conservation and wildlife research projects.

6. Capital Assets

	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 14,510,693	$ —	$ 14,510,693	$ 14,460,470
Land – joint ownership	3,396,532	—	3,396,532	2,960,962
Equipment	572,424	527,769	44,655	43,601
	$ 18,479,649	$ 527,769	$ 17,951,880	$ 17,465,033

Equipment is being amortized over a 3 to 10 year expected life; it is assumed the equipment will have no value at the end of its expected life. As at March 31, 2008 there is no anticipated change in the expected life or value of the equipment.

7. Internally Restricted Net Assets - Municipal Habitat Conservation

Internally restricted net assets were established to compensate rural municipalities for taxes foregone on lands acquired by the Fund for wildlife habitat conservation purposes. The interest earned on this amount is reported in the unrestricted fund and is used to assist in paying rural municipalities grants in lieu of taxes on the Fund's lands located within their boundaries.

8. Commitments

The Fund is committed to carry out certain wildlife habitat and fish enhancement projects totalling $564,550 in 2009, $250,000 in 2010 and $150,000 in 2011.

9. Financial Instrument Risks

The Fund is exposed to credit risk from the potential default of customers. However, the majority of the Fund's receivables are from other government agencies and reputable long-term corporate clients. Therefore, the credit risk is minimal.

10. Budget

The Budget for the Fund is included with the Ministry's budget submission to Treasury Board. Treasury Board approves the Fund's budget annually.

11. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as ministries, corporations, boards, and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. These transactions are as follows:

	2008	2007
Expenses:		
Contractual services	$ 11,073	$ 36,139
Supplies and materials	1,642	671
Grants	507,754	903,500
Central Vehicle Agency rentals	83,910	73,204
Utilities	70,671	71,336
Telephone	4,840	8,570
Travel	299	—
Equipment and other assets	62	—

Included in accounts payable is $134,492 (2007 - $124,618) owing to related parties.

The Fund pays provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, financing, and certain administrative costs. These costs have been absorbed by various ministerial appropriations and, therefore, no provision for such costs is reflected in these financial statements.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes.

12. Conservation Easements

The Fund made agreements with other conservation agencies for the purpose of securing wildlife habitat through the purchase of conservation easements. Under these agreements, the Fund contributes a portion of the costs to acquire these easements upon the registration of the easement with the relevant land titles office. The conservation agencies made separate agreements with landowners for the purchase of these easements.

The Fund is not party to the agreements with the landowners for these conservation easements. Accordingly, the Fund has not recorded these costs as capital assets. The Fund's share of these costs for the year amounting to $630,896 (2007 - $753,515) have been expensed in the Statement of Operations.

13. Payable for Land Purchases

At March 31, 2008, the Fund owes a total of $157,666 (2007 - $76,750) for land purchases. Possession of the land took place on or before March 31, 2008, and payment is to be made subsequent to year end.

14. Comparative Figures

Certain prior year balances have been reclassified to conform with the current year's financial statement presentation.

15. Invasive Alien Species

The Fund has contracted with an organization to coordinate an invasive alien species management program for non-native terrestrial plants. This initiative will educate Saskatchewan residents on the risks of invasive plant species, help communities take inventory of invasive plant species, and plan management strategies for invasive plant species.

Schedule 1

FISH AND WILDLIFE DEVELOPMENT FUND
SCHEDULE OF EXPENSES
For the Period Ended March 31

	2008				2007
	Budget (Note 10)	Fish Enhancement Projects	Wildlife Habitat Projects	Total	Total
Salaries	$ 782,000	$ 666,023	$ 336,792	$ 1,002,815	$ 1,023,678
Contractual services	300,000	122,942	77,533	200,475	178,507
Supplies and materials	110,000	58,978	7,469	66,447	70,615
Grants (Note 12)	2,224,000	676,693	993,025	1,669,718	2,099,462
Central Vehicle Agency rentals	55,000	62,187	21,723	83,910	70,477
Travel expenses	50,000	23,248	10,535	33,783	57,442
Utilities	80,000	70,756	—	70,756	71,336
Amortization	20,000	9,592	880	10,472	12,417
Telephone	23,000	7,099	2,115	9,214	10,730
Communications	10,000	142	5,478	5,620	9,255
Bad debt expense	—	—	275	275	5,594
Other expenses	—	—	1,100	1,100	—
	$ 3,654,000	$ 1,697,660	$ 1,456,925	$ 3,154,585	$ 3,609,513